United Nations TD/B/61/5

United Nations Conference on Trade and Development

Distr.: General
22 July 2014

Original: English

Trade and Development Board
Sixty-first session
Geneva, 15–26 September 2014
Item 10 of the provisional agenda
UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

Progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD contributions

Note by the UNCTAD secretariat

Executive summary

Pursuant to United Nations General Assembly resolution 57/270 B and paragraph 18 (n) of the Doha Mandate, UNCTAD should contribute to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social and related fields. UNCTAD also contributes to the achievement of internationally agreed development goals, including the Millennium Development Goals, and the ongoing work on the post-2015 development agenda. This document provides a brief review of the progress made in the relevant thematic areas and UNCTAD contributions thereto during the period July 2013–June 2014.

GE.14-08984 (E)
1408984

Please recycle

Introduction

1. The United Nations General Assembly, in its resolution 57/270 B, stressed the need to "make maximum use of existing United Nations mechanisms for the purpose of reviewing the implementation of commitments made within the United Nations system in key areas of development" (para. 27). In this regard, it invited the Trade and Development Board to "contribute, within its mandate, to the implementation and to the review of progress made in the implementation of the outcomes of the major United Nations conferences and summits, under its relevant agenda items" (para. 27 (a)).

2. The thirteenth session of the United Nations Conference on Trade and Development, held in Doha in April 2012, agreed that UNCTAD should "implement and follow up, as appropriate, relevant outcomes from global conferences and summits on development" (Doha Mandate, para. 18 (n)).

3. The present document is a review of progress made in the implementation of the outcomes of the major United Nations conferences and summits and UNCTAD contributions in this respect, during the period July 2013–June 2014.

I. International trade

4. Trade plays an important role in economic growth, sustainable development and poverty alleviation. This role has been recognized by major United Nations conferences and summits, as well as, among others, the Doha Mandate and the United Nations Millennium Declaration and the associated Millennium Development Goals.

A. Progress made

5. Global merchandise trade grew by 2.1 per cent in 2013,[1] close to the 2.3 per cent increase recorded in 2012. In dollar value, global merchandise exports rose by 2.1 per cent to $18.8 trillion and global commercial services exports rose by 5.5 per cent to $4.6 trillion.

6. In 2013, import demand in developed economies shrank by 0.2 per cent, while imports in developing economies grew by 4.4 per cent. In the same year, exports by developed economies grew by 1.5 per cent and exports by developing economies grew by 3.3 per cent.

B. UNCTAD contributions

7. UNCTAD supports the participation of its member States, particularly developing countries, countries with economies in transition and least developed countries, in their integration into the international trading system. Major activities undertaken in this context during the reporting period are detailed in this section.

8. The sixtieth session of the Trade and Development Board, held in September 2013, discussed the evolution of the international trading system and its trends from a

[1] The preliminary estimate of 2.1 per cent for global trade growth in 2013 refers to the average of merchandise exports and imports in volume terms, adjusted to account for differences in inflation and exchange rates across countries.

development perspective, with the discussion and outcomes contributing towards consensus-building in this area. The Board also discussed the role of trade in sustainable development in the context of the post-2015 development agenda. The Board took stock of the second progress report on the contribution of UNCTAD to the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020. In addition, discussions were held on new patterns in global growth, new patterns of growth for trade and development, economic development in Africa, interdependence, development strategies in a globalized world and global value chains and development.

9. The fifth and sixth sessions of the Trade and Development Commission, held from 17 to 21 June 2013 and from 5 to 9 May 2014, respectively, took stock of the policy outcomes emerging from the annual sessions of the Multi-year Expert Meetings on the following: trade, services and development; commodities and development; promoting economic integration and cooperation; transport, trade logistics and trade facilitation; and enhancing the enabling economic environment at all levels in support of inclusive and sustainable development. The fifth and sixth sessions of the Commission discussed recent trends in trade in goods and services and in the international trading system, as well as trends in the nature and level of employment and poverty reduction in developing countries, and how these trends interact. Discussions on the role of international trade in the post-2015 development agenda focused on how trade contributes to economic growth and development, mapping out policy areas and measures that could facilitate and enhance the role of trade as an enabler of inclusive development and how best to capture the development impact of trade in the post-2015 development agenda.

10. UNCTAD contributed to the United Nations Inter-agency and Expert Group on Millennium Development Goal Indicators. UNCTAD contributions, in close collaboration with the International Trade Centre and the World Trade Organization, entail the annual provision of data and analyses for updates on Millennium Development Goal 8 indicators on market access, namely indicator 8.6 on the proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty, and indicator 8.7 on average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries. These data and analyses are integrated into the annual United Nations Millennium Development Goals reports. The Inter-agency and Expert Group prepared the *Millennium Development Goals Report 2013*, which presented the annual assessment of global progress towards the Millennium Development Goals.

11. UNCTAD also contributed to the Millennium Development Goal Gap Task Force, which was created by the Secretary-General of the United Nations to improve the monitoring of Millennium Development Goal 8 by leveraging inter-agency coordination. UNCTAD provided analytical inputs to the chapter on market access (trade) of the *Millennium Development Goal Gap Task Force Report 2013 – The Global Partnership for Development: The Challenge We Face*.

12. With regard to the BioTrade Initiative, building upon the success of the first BioTrade Congress initiated by UNCTAD at the time of the United Nations Conference on Sustainable Development in 2012, the second BioTrade Congress was held from 11 to 13 December 2013. The Congress focused on the integration of biodiversity-based strategies in climate change mitigation, as well as the integration of biotrade activities with targeted measures such as reducing emissions from deforestation and forest degradation, which includes conservation, sustainable management of forests and enhancement of forest carbon stocks.

13. UNCTAD contributed substantively to deliberations on trade policy matters undertaken at various major international conferences, including the following:

(a) High-level Dialogue on International Migration and Development of the sixty-eighth session of the General Assembly, held at United Nations Headquarters on 3 and 4 October 2013;

(b) Intersessional meeting of the United Nations Inter-agency Network on Women and Gender Equality, held in Paris in November 2013;

(c) World Trade Organization Ninth Ministerial Conference, held in Bali, Indonesia, from 3 to 6 December 2013. UNCTAD participated in this conference at the Secretary-General level.

14. UNCTAD actively participated in all aid for trade-related meetings organized by the Organization for Economic Cooperation and Development, including of its Trade Committee, and the World Trade Organization, including of its Advisory Group on Aid for Trade of the Director General. UNCTAD prepared a technical note on aid for trade issues for least developed countries. UNCTAD also contributed to the preparation of the work programme on aid for trade by the World Trade Organization.

15. UNCTAD is a key partner of the secretariat of the Framework Convention on Tobacco Control of the World Health Organization, assisting in the implementation of the convention obligations. UNCTAD worked with the secretariat in several areas in 2013, namely the following: coordination of two studies on plain packaging and labelling of tobacco; completion of a study on the tobacco value chain and options for alternatives; support for technical assistance and capacity-building missions of the secretariat in India for the Asian region and in Peru for the Latin American region; participation in meetings of the secretariat; and sharing of UNCTAD expertise and perspectives in relevant areas.

II. Commodities

16. Commodities are featured in the outcomes of major United Nations conferences and summits. The General Assembly, in its resolution 60/1 on the 2005 World Summit outcome, emphasized the "need to address the impact of weak and volatile commodity prices and support the efforts of commodity-dependent countries to restructure, diversify and strengthen the competitiveness of their commodity sectors" (para. 33). The International Conference on Financing for Development held in 2002 agreed that "multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports" (Monterrey Consensus, para. 37).

17. The outcome document of the United Nations Conference on Sustainable Development recognized that poverty eradication, sustainable patterns of consumption and production and the management of natural resources are inextricably linked to sustainable development (para. 4). General Assembly resolution 61/190 on commodities reiterated the "importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development" (para. 1).

18. The twelfth session of the United Nations Conference on Trade and Development, held in Accra in April 2008, provided an all-inclusive mandate that anchors the work of the UNCTAD secretariat in the areas of commodity trade and development (Accra Accord, para. 91). The Doha Mandate calls on policymakers to identify and implement appropriate policies at all levels to address the impacts of volatility of commodity prices on vulnerable groups and notes the importance of supporting commodity-dependent developing countries in formulating sustainable and inclusive development strategies, including those that promote value addition and economic diversification (para. 27).

A. Progress made

19. Commodity prices displayed divergent trends over the course of 2013 in the midst of an overall moderation. Food prices gradually declined, owing to better-than-expected harvests of major crops. Low demand, ample supply and high stock levels all contributed to declines in base metals prices. Oil prices fluctuated significantly over the course of the year as a result of various geopolitical issues. International commodity prices are forecasted to remain at high levels in 2014, by historical standards, but face downward pressure and great variation across commodities.

B. UNCTAD contributions

20. UNCTAD implemented a broad range of activities, including policy analysis, intergovernmental meetings and technical assistance, to assist commodity-exporting developing countries in addressing the commodity challenge, including improving their productive capacities and harnessing the gains from commodities production and trade.

21. The sixth session of the Multi-year Expert Meeting on Commodities and Development, held on 9 and 10 April 2014, debated recent developments and new challenges in commodity markets and policy options for commodity-based inclusive growth and sustainable development. Key recommended policies included strengthening linkages between the commodity sector and other sectors of national economies, enhancing food security through adequate trade policies, regional integration and support to domestic producers, promoting a diversified energy mix and utilizing natural resource endowments to fight endemic levels of unemployment.

22. The fifth Global Commodities Forum, held on 7 and 8 April 2014, explored global value chains, transparency and commodity-based development. The Forum highlighted, above all, that global value chains remain an evolving topic in the development discourse and that developing countries need to earn more durable benefits from participation in global value chains. The Forum debated the potential features of a governance reform in the commodities sector that would reinforce transparency and accountability in the collection of commodities revenues and in the development-oriented investment of such revenues.

23. UNCTAD collaborates with members of United Nations–Energy, the mechanism for inter-agency collaboration in the field of energy, to help create a coherent approach towards a sustainable energy system, especially in developing countries. UNCTAD organized the sixteenth Africa Oil, Gas and Minerals Trade and Finance Conference and Exhibition in Niger, which was held from 19 to 23 November 2013 and attended by 500 delegates from 34 countries. The Conference discussions focused on how to manage the windfall gains from petroleum and mining production and trade in a transparent and accountable manner, as well as the measures needed in order to share the revenues generated more equitably.

24. Publications in 2014 include the fifth edition of *Commodities at a Glance*, which focuses on rare earth elements. The forthcoming *Commodities and Development Report 2014* focuses on the key issues facing smallholders in the production of agrifood and commodities, as well as sustainable development in developing countries. The report coincides with the International Year of Family Farming designated by the Food and Agriculture Organization of the United Nations.

25. With regard to technical assistance, UNCTAD regularly updates its electronic portal on commodity trade and market information (http://www.unctad.info/en/Infocomm/), and continuous efforts are made to expand commodities profiles, originally prepared in French, by providing English and Spanish versions.

III. Investment and enterprise development

26. The Monterrey Consensus emphasizes the vital role of private international capital flows, particularly foreign direct investment, in national and international development efforts. In addition, the Plan of Implementation of the World Summit on Sustainable Development held in 2002 notes the role of foreign direct investment in achieving sustainable development.

27. General Assembly resolution 60/1 on the 2005 World Summit outcome affirms the resolution of Heads of State and Government to "encourage greater direct investment, including foreign investment, in developing countries and countries with economies in transition to support their development activities and to enhance the benefits they can derive from such investments" (para. 25). The resolution acknowledges related policy areas such as the vital role of the private sector (para. 23 (e)) and makes commitments in other related policy areas such as good governance and the promotion of small and medium-sized enterprises (para. 24 (a)) and corporate responsibility and accountability (para. 24 (c)).

28. In 2008, the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus recognized the role of foreign direct investment as a vital complement to "national and international development efforts" (Doha Declaration on Financing for Development, para. 23). In 2011, the declaration of the fourth United Nations Conference on the Least Developed Countries underlined that a "dynamic, well-functioning and socially responsible private sector, small and medium-sized enterprises in particular, and an appropriate legal framework are crucial in promoting entrepreneurship, investment, competition, innovation and economic diversification" (para. 8 (b)). Finally, the outcome document of the United Nations Conference on Sustainable Development called for an "enabling environment at the national and international levels, as well as continued and strengthened international cooperation, particularly in the areas of… technology transfer, as mutually agreed, and innovation, entrepreneurship, capacity-building, transparency and accountability" (para. 19).

A. Progress made

29. Following a fall in 2012, global foreign direct investment inflows rose by 9 per cent in 2013, to $1.45 trillion, corresponding to forecasts made by UNCTAD. Developing economies maintained their dominant share of global foreign direct investment, reaching 54 per cent of global flows, while developed economies attracted 39 per cent. At the regional level, foreign direct investment to all major regions increased, although the structurally weak economies saw mixed results. Developing countries in Asia are now the greatest recipients of foreign direct investment.

30. Foreign direct investment outflows from developing countries and transition economies also reached a record level of $553 billion, or 39 per cent of global outflows. This compares with only 12 per cent at the beginning of the 2000s. A feature of foreign investment by transnational corporations of developing and transition economies is their purchase of developed country affiliates in the global South, which reached 50 per cent of all their purchases in this region in 2013. Outflows from developed countries remained stagnant, at 55 per cent off their peak in 2007, or $857 billion.

31. Short- to medium-term prospects appear positive. UNCTAD projects that foreign direct investment flows could rise to $1.6 trillion in 2014, $1.7 trillion in 2015 and $1.8 trillion in 2016.

32. In terms of investment policy developments, the share of national regulatory or restrictive investment policies rose to 27 per cent in 2013, although the majority of

measures remain geared towards promotion and liberalization. There is divergence in international investment rule-making; on the one hand are the negotiations of megaregional agreements, which may have systemic implications for the regime of international investment agreements, while on the other, there is disengagement from the system, partly because of developments in investment arbitration.

33. Nevertheless, the number of bilateral investment treaties and international investment agreements rose in 2013 after several years of decline. Concerns about the functioning and impact of the regime of international investment agreements on sustainable development have led to increasing calls for reform of the regime, including investment dispute settlements.

B. UNCTAD contributions

34. The sixth session of the Investment, Enterprise and Development Commission, held from 28 April to 2 May 2014, discussed the promotion of entrepreneurship for productive capacity-building and the importance of policies to support entrepreneurship and private sector development in developing countries and economies in transition. Central to this issue is the challenge of youth employment and, accordingly, the high-level segment of the Commission focused on entrepreneurship development, specifically job creation for young people. In light of global youth unemployment and the potential contributions of youth entrepreneurship to job creation and inclusive growth, a dedicated youth entrepreneurship policy framework is urgently needed. In this regard, UNCTAD is collaborating with United Nations agencies to implement General Assembly resolution 67/202 on entrepreneurship for development and in partnership with intergovernmental organizations such as the Commonwealth to enhance youth entrepreneurship.

35. UNCTAD continued its work on analysing the impact of foreign direct investment on development, especially in the context of discussions and negotiations for a successor framework to the Millennium Development Goals.

36. The *World Investment Report 2014* focuses on an action plan for investing in sustainable development and how to address some of the implementation issues that will arise after the shaping of the new global development agenda. The report examines the investment needs of developing countries in a number of sustainable development-relevant sectors, such as climate change adaptation, food security, infrastructure, health and education. It analyses the current and future funding gap over the period 2015–2030 and how private investment can contribute to bridging the gap. In addition, the report examines the latest data on foreign direct investment and traces global trends in foreign direct investment and international production by transnational corporations. Finally, the report proposes an action plan for private investment in sustainable development that presents a range of policy options and a focused set of action packages that can help galvanize private investment in sustainable development.

37. Throughout 2013, UNCTAD continued to publish its quarterly *Global Investment Trends Monitor*, which provides timely periodic assessments of global foreign direct investment trends and prospects, along with the periodically published *Investment Policy Monitor*, which reports on national and international investment policies.

38. The Monterrey Consensus stresses that in order to attract and enhance inflows of productive capital countries need to achieve transparent, stable and predictable investment climates. In this context, UNCTAD work programmes on global investment information and research and its assistance in the strengthening of local capacity and institutions are of particular relevance. UNCTAD helps countries gather and use investment data to design and implement better policies, through training and capacity-building on foreign direct

investment data collection and reporting. Through its activities on investment facilitation, including improvements to local business environments, UNCTAD makes a major contribution to the investment climate and the promotion of international investment for sustainable development.

39. Since 2013, UNCTAD has been assisting countries of the Association of Southeast Asian Nations with a multi-year technical cooperation arrangement, as part of efforts to promote investment opportunities to various stakeholders. Investment promotion efforts in 2014 focused on green investment, through the launch of an online promotion hub for green foreign direct investment, publication of a guide for investment promotion agencies on the promotion of low-carbon investment and training for investment promotion agency officials in best practices and techniques for attracting investment in green businesses. Furthermore, the Smart Promotion Network eFlash, periodically sent to members of the World Investment Network mailing list, and the Investment Promotion Agencies Observer series continued to deliver updates on current issues concerning investment promotion agencies.

40. Investment policy reviews and related follow-up activities are designed to maximize the benefits of foreign direct investment in client countries by improving the regulatory, institutional and operational aspects of their investment frameworks. To date, UNCTAD has completed 36 such reviews, half of which were for least developed countries, and work is underway in four other countries. The most recent reviews used the UNCTAD Investment Policy Framework for Sustainable Development – a living document that provides an analysis of national and international investment policies, focusing on their sustainable development dimensions – as the main diagnostic tool, and the Framework will continue to be used for all future investment policy reviews.

41. UNCTAD continued its work on international investment agreements, to foster investment for sustainable development. Research and policy analysis was presented through the mapping project for international investment agreements, as well as in several publications, including issues notes on such agreements and joint UNCTAD–Organization for Economic Cooperation and Development reports on Group of 20 investment measures. UNCTAD also maintained the databases on international investment agreements and investment disputes and continued to provide regional and national training courses, as well as ad hoc technical assistance such as advisory work on specific international investment agreement negotiations.

42. UNCTAD continuously interacts with a network of over 1,500 experts worldwide on international investment agreement issues. Following the launch of the Investment Policy Framework for Sustainable Development, UNCTAD initiated new technical assistance programmes based on this tool and, in addition to its use in the investment policy review process, has also used the Framework in its policy advice, for example in drafting assistance and comments provided to six countries and one regional organization and in face-to-face training sessions on investment negotiation.

43. The Monterrey Consensus urges special efforts in such priority areas as corporate governance and accounting standards, both for strengthening domestic investment environments and promoting global financial stability, as does the outcome document of the United Nations Conference on Sustainable Development. In this context, the thirtieth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting was held from 6 to 8 November 2013 and was attended by over 330 experts from 90 countries. The Intergovernmental Working Group deliberated the role of regulatory and institutional arrangements for the consistent implementation and enforcement of international corporate reporting standards. Throughout 2013, UNCTAD delivered technical assistance on corporate reporting to countries based on the Accounting Development Tool launched in 2012. The strengthening of reporting standards and

corporate disclosure was further supported by the ongoing Sustainable Stock Exchanges Initiative, which now includes nine exchanges, representing over 15,000 listed companies.

44. The Monterrey Consensus notes that in order to mobilize domestic financial resources for development, it is critical to foster a dynamic and well-functioning business sector. In this context, UNCTAD furthered its technical assistance for entrepreneurship and local enterprise development, including through the Empretec programme, which has trained over 340,000 entrepreneurs since its launch in 1988, and is now present in 35 countries, with additional requests from 20 countries pending. Additionally, UNCTAD has further strengthened its Business Linkages Programme, a multi-stakeholder initiative that transforms linkages between small and medium-sized enterprises and large firms – domestic or foreign – into sustainable business relationships. In 2013, six countries benefitted from the programme, of which four were least developed countries.

IV. Coherence of the international monetary, financial and trading systems

45. Building on the outcomes of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009, the Doha Mandate notes the significant role of effective macroeconomic policies and development strategies in crisis prevention and recovery. The Mandate points to regional integration and interregional cooperation as means to support national development strategies, reduce external vulnerabilities and enhance the global governance system.

46. Reaffirming the Monterrey Consensus and the Doha Declaration on Financing for Development, the Doha Mandate highlights the importance for development of the mobilization and effective utilization of all sources of financing. In particular, it notes the role of finance in supporting the real economy for sustained, inclusive and equitable economic growth and sustainable development and states that all countries, developed and developing alike, can pay serious political, social and economic costs from financial shocks.

A. Progress made

47. Despite some improvement in the second half of 2013 and early 2014, the global economy is still struggling to find a robust and sustainable growth path. Greater policy coordination at international and regional levels will be needed in order to move onto such a path. Moreover, it will be important to avoid the policy mistakes that led to the current financial crisis.

48. Most major economies and regions have had to rely on domestic demand as the main driver for growth. Global trade flows have remained weak. A number of developing and transition economies suffered from increased financial instability during 2013 and in early 2014. This financial shock illustrates once again the volatility of global financial markets and the fact that developing countries are regularly affected by decisions taken by policymakers in systemically important advanced economies. Since individual economies are strongly interconnected through real demand and financial linkages, fragility and downside risks continue to pose serious policy challenges.

49. Considerable progress is needed in macroeconomic policy coordination, ideally at a global level, but as a minimum at regional levels. The necessary elements in order for a coordinated strategy for growth to be sustained both internationally and domestically include the following: growth of labour compensation at par with productivity; public sector support in the provision of social and physical infrastructure; increased private and

public investment, focusing on research in and the development of environment-friendly technologies; re-engineered and reregulated domestic financial sectors that support productive activities and employment creation; and an improved system of international payments and transactions based on global and regional financial arrangements that facilitate more trade in non-reserve currencies. Furthermore, imbalances should be corrected before they become unmanageable, with a strong contribution by countries with surpluses and proper intervention by regional or global lenders of last resort.

B. UNCTAD contributions

50. The *Trade and Development Report 2013* notes that the current global economic and financial crisis reflects a structural shift in the world economy. Adjusting to this structural shift requires fundamental changes in prevailing growth strategies. The world economy cannot revert to pre-crisis growth, which was built on unsustainable global demand and financing patterns. Developed countries must act more decisively to address the fundamental causes of the crisis, as well as move away from contractionary fiscal policies so as not to further undermine their already slow economic growth. Nevertheless, demand growth in developed countries is likely to remain weak for a protracted period of time. The report suggests that developing and transition economies whose development strategies have been overly dependent on exports should move towards a more balanced growth strategy and should give greater weight to domestic and regional demand. Wage growth, employment creation and social transfers that favour lower and middle-income households are crucial to this development strategy, because such households tend to spend a larger share of their income on consumption, particularly of locally or regionally produced goods and provided services. An expansion of production capacities and their adaptation to new demand patterns is also needed. This will require the provision of reliable and long-term financing. Finally, the report states that countries should rely increasingly on domestic sources for such financing, with central banks conducting a credit policy, so that commercial banks, development banks and specialized institutions effectively finance the real economy.

51. Policy briefs were produced in order to present research results in a shorter and more accessible format, with a focus on topical debates on macroeconomic policies, such as capital account regulations and global economic governance and the need for policy space (UNCTAD Policy Brief No. 28) and the recent turmoil in emerging economies (UNCTAD Policy Brief No. 29).

52. UNCTAD continued to play an active role in providing advisory services to the Group of 20 on issues related to macroeconomic and development policies, such as employment, global imbalances and global economic governance, including the global spillover effects of macroeconomic policies in developed countries, as well as commodity price volatility. UNCTAD participated in meetings of the Group of 20 Working Group on the Framework for Strong, Sustainable and Balanced Growth, contributing several technical papers on global financial markets, job creation and growth, as well as a scoping note to guide the Working Group discussions on growth strategies in 2014, under the presidency of Australia of the Group of 20.

53. Given its specific trade and development perspective and emphasis on interdependence, several developing-country Group of 20 members have repeatedly called on UNCTAD to draw attention to different issues and present their views to the Group of 20. UNCTAD expertise and policy advice on financial and macroeconomic matters has led to substantive and strategically significant contributions to the Group of 20 process, especially for developing countries. Many Group of 20 countries acknowledge that the

trade and development perspective of UNCTAD provides a useful second opinion alongside the mainstream views of other international organizations.

54. UNCTAD extended its research and capacity-building projects in West and Central Africa and Latin America and the Caribbean, in order to help countries strengthen their capacities for pro-growth macroeconomic management and enhanced regional financial and monetary cooperation. Following a launch meeting in late 2013, UNCTAD co-hosted in June 2014, with the Economic Commission for Latin America and the Caribbean, the first Latin American regional seminar on regional financial integration and cooperation. Senior policymakers from regional development banks, reserve funds, payment systems and currency arrangements discussed the role that reserve funds may have in protecting the members of such funds from balance of payment shocks, and how innovative payment systems are reducing transaction costs and vulnerability to exchange rate volatility.

55. The second session of the Multi-year Expert Meeting on Promoting Economic Cooperation and Integration, held on 19 and 20 May 2014, took stock of the contribution of effective forms of cooperation to the Millennium Development Goals and their evolution in the area of trade and development.

V. Science and technology for development, including information and communications technologies

56. The World Summit on the Information Society adopted a common vision of a people-centred, inclusive and development-oriented information society. The Summit adopted four outcome documents that seek to translate this vision into concrete objectives, goals and targets, to be met by 2015, along with 11 action lines and main themes. UNCTAD, through the Commission on Science and Technology for Development, was designated by the United Nations Economic and Social Council to act as the focal point in the system-wide follow-up to the outcomes of the Summit. In addition, UNCTAD is a co-facilitator of the action line related to e-business and contributes to measuring progress towards the Summit targets through the Partnership on Measuring Information and Communications Technologies for Development.

A. Progress made

57. The demand for and supply of information and communications technologies continue to grow. Globally, the number of mobile-cellular telephone subscriptions has surpassed 6.8 billion. Nonetheless, many rural and remote regions of developing countries have yet to be covered by mobile networks, and many citizens cannot afford mobile telephones. Internet use also continues to expand, with more than 2.7 billion Internet users worldwide. An increasing proportion of users have access to high-speed broadband networks and services, but access is neither ubiquitous nor affordable in large areas of developing countries. Despite the positive developments towards narrowing the digital divide, additional attention is needed to ensure that developing countries are able to leverage information and communications technologies for development as applications and services continue to evolve.

B. UNCTAD contributions

58. The Commission on Science and Technology for Development continued to monitor the implementation of and follow-up to the outcomes of the World Summit on the

Information Society at the international and regional levels, and prepared the corresponding annual report of the Secretary-General of the United Nations.

59. As part of the annual follow-up activities, a ministerial round table on the review of progress made in the implementation of the outcomes of the Summit and a panel on information and communications technologies for inclusive social and economic development were organized at the seventeenth session of the Commission, held from 12 to 16 May 2014. The Commission reviewed emerging trends in information and communications technologies and key issues affecting access to them in developing countries, including the seminal role of digital development in sustainable development, affordability, financing models and leverage of the potential of international young people in driving transformational change.

60. The Commission noted that the expansion of information and communications technologies in developing countries created opportunities for closing the digital divide and fostering inclusive innovation, but also exposed major gaps in the ability of developing countries to define new paths for technological catch-up and to create new industries that would add to global economic growth.

61. Following the World Summit on the Information Society Forum held in May 2013, UNCTAD took an active part in the open consultations leading to the World Summit on the Information Society Plus 10 High-level Event in June 2014, which was coordinated by the International Telecommunication Union and co-organized by the International Telecommunication Union, UNCTAD, the United Nations Development Programme and the United Nations Educational, Scientific and Cultural Organization. During the event, UNCTAD organized several high-level and thematic sessions related to e-business, measuring information and communications technologies for development and the 10-year review of the outcomes of the World Summit on the Information Society.

62. The Economic and Social Council, in its resolution 2013/9, mandated the Commission to conduct a review of the progress made in the past 10 years in the implementation of the outcomes of the World Summit on the Information Society. Accordingly, in addition to its annual Summit follow-up, the Commission initiated activities for the 10-year review. Substantive discussion on the review was conducted at the seventeenth session of the Commission. The collection of inputs from all stakeholders was initiated through a questionnaire posted on the Commission website and a face-to-face consultation held during the World Summit on the Information Society Plus 10 High-level Event. A 10-year review report will be considered by the Commission as it continues its deliberations on this topic at the next intersessional panel and at its eighteenth session. The Commission review will serve as input to the overall review of the outcomes of the World Summit on the Information Society to be conducted by the General Assembly in 2015.

63. In its capacity as the Commission secretariat, UNCTAD organized four meetings of the Commission Working Group on Enhanced Cooperation, established by the General Assembly in its resolution 67/195 on information and communications technologies for development. The Commission decided to recommend to the Economic and Social Council that certain aspects of the work initiated by the Working Group be continued by the Commission secretariat.

64. The *Information Economy Report 2013* assessed the implications for developing countries of the growing importance of cloud computing. Even though the use of cloud computing is still limited in most developing countries, the report takes a forward-looking stance and outlines the potential costs and benefits for developing countries of relying on cloud computing services. The *Review of E-commerce Legislation Harmonization in the Association of Southeast Asian Nations*, published in 2013, documents the advances made by countries of the Association of Southeast Asian Nations in the area of e-commerce laws,

and makes proposals for accelerating the process of regional integration and harmonization. In the first quarter of 2014, UNCTAD published a practical guide to help formulate more effective policies to empower women entrepreneurs through information and communications technologies. UNCTAD also published, in April 2014, *A Framework for Information and Communications Technology Policy Reviews: Helping Countries Leverage Information and Communications Technology for Development*.

65. UNCTAD continued to build the capacities of relevant stakeholders, assisting in the preparation of cyberlaws and facilitating the increased regional harmonization of cyberlegislation including, in 2013, projects in East and West Africa, South-East Asia and Latin America. Technical cooperation activities were undertaken in cooperation with, inter alia, United Nations regional commissions, the United Nations Commission on International Trade Law, the Commonwealth Telecommunications Organization and regional secretariats, and included training, workshops and reviews of national legislation.

66. UNCTAD continued its support to member States in the area of information and communications technologies statistics, in collaboration with the Partnership on Measuring Information and Communications Technologies for Development. In 2013 and early 2014 this support comprised regional training in China, in the Portuguese-speaking Division of Africa and in Latin America of statisticians on the production of information economy statistics and methodological work on measuring information and communications technologies and access by gender, as well as trade in information and communications technologies and information and communications technologies-enabled services.

VI. Competition law and policy

67. The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices recognizes the need to "ensure that restrictive business practices do not impede or negate the realization of benefits that should arise from the liberalization of tariff and non-tariff barriers affecting international trade" (operative para. 3). The sixth United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices affirmed the fundamental role of competition law and policy for sound economic development.

A. Progress made

68. While some progress has been made in the adoption, reformulation or better implementation of competition laws and policies in developing countries and countries with economies in transition, many still do not have up-to-date competition legislation or adequate institutions for its effective enforcement.

B. UNCTAD contributions

69. The thirteenth session of the Intergovernmental Group of Experts on Competition Law and Policy was held from 8 to 10 July 2013. The Group conducted voluntary peer reviews of competition law and policy in Nicaragua, Pakistan and Ukraine.

70. Since the adoption of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices by the General Assembly in its resolution 35/63, UNCTAD has played a key role in assisting developing countries and countries with economies in transition in the establishment of their competition regimes. Technical assistance, capacity-building and advisory services provided by UNCTAD, at

both national and regional levels, includes assisting countries in setting up legal frameworks, strengthening their institutional capacities for better implementation of competition laws and undertaking competition advocacy to create a competition culture and promote consumer welfare.

71. The sixth United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices had invited UNCTAD to convene two ad hoc expert group meetings on the interface between competition policy and consumer welfare. The first Ad Hoc Expert Meeting on Consumer Protection, held on 12 and 13 July 2012, requested the secretariat to prepare a draft report containing proposals for a revision of the *United Nations Guidelines for Consumer Protection*, for consideration by the Intergovernmental Group of Experts on Competition Law and Policy at its thirteenth session. Accordingly, in 2013, UNCTAD placed special attention on carrying out extensive consultations with regard to a revision of the Guidelines. The first part of the process involved taking stock of how the Guidelines had been implemented by member States since the last revision of the Guidelines in 1999. The second Ad Hoc Expert Meeting on Consumer Protection was convened on 11 and 12 July 2013, on the occasion of the thirteenth session of the Intergovernmental Group of Experts, and deliberated the implementation report prepared by UNCTAD. A proposal was accepted to form four working groups to assist the secretariat in preparing a report to the seventh United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, including a working group to consider the implementation of the *United Nations Guidelines for Consumer Protection*.

73. The UNCTAD Technical Assistance Programme on Competition and Consumer Protection Policies for Latin America has been in place for over ten years and has achieved excellent results in strengthening competition and consumer protection legal frameworks and institutional capacities in Latin America. Many capacity- and institution-building activities and training and information sharing events were provided to beneficiary countries under the Programme in 2013. In addition, the third International Consumer Protection Forum was jointly organized by UNCTAD and the consumer protection agency of the Dominican Republic, Pro Consumidor, and was held in Santo Domingo on 23 and 24 May 2013.

74. UNCTAD created a Research Partnership Platform in 2010. This initiative aims at contributing to the development of best practices in the formulation and effective enforcement of competition and consumer protection laws and policies so as to promote development. Currently, the Platform hosts 45 institutions, consisting of research institutes, universities, non-governmental organizations, corporate affiliates and competition agencies.

VII. Countries in special situations

A. Least developed countries

1. Progress made in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020

75. The Programme of Action was adopted by the fourth United Nations Conference on the Least Developed Countries and identifies policy measures and actions to support economic growth and development in least developed countries in the following eight priority areas: productive capacity; agriculture, food security and rural development; trade; commodities; human and social development; multiple crises and other emerging challenges; mobilizing financial resources; and good governance at all levels. The

Programme also contains several quantitative and qualitative goals and targets, covering a wide range of social, economic and environmental issues. The goals and targets can serve as useful tools to track progress, benchmark performances and measure the results of the implementation of agreed commitments in the priority areas.

2. UNCTAD contributions

76. The *Least Developed Countries Report 2013: Growth with Employment for Inclusive and Sustainable Development* examined how least developed countries can promote growth that generates an adequate number of quality jobs that would enable the countries to achieve their most urgent goals of poverty reduction, inclusive growth and sustainable development. The report notes that least developed countries face a stark demographic challenge, as their collective population – about 60 per cent of whom are currently under 25 years of age – is projected to double to 1.7 billion by 2050. Creating employment opportunities is critical because it is the best and most dignified path out of poverty. The report presents a policy framework with employment creation as a central objective of economic policy, linking investment, growth and employment creation with the development of productive capacities. Finally, it recommends specific policy proposals for generating employment-rich growth and development in the least developed countries.

77. Under the Enhanced Integrated Framework, UNCTAD is supporting the implementation phase of the policies and strategies identified in the Diagnostic Trade Integration Study action matrices of the Gambia and Senegal, after having completed the updates of their Diagnostic Trade Integration Studies. UNCTAD also provided assistance to the respective Governments in the elaboration of projects in Benin and Senegal. Finally, UNCTAD is currently completing updates of the Diagnostic Trade Integration Studies of Djibouti and Mozambique and has initiated updates of the Diagnostic Trade Integration Studies of Ethiopia, Mali and the Niger.

78. Analytical work and several advisory missions were carried out in early 2014, including in support of smooth transitions for countries graduating from the list of least developed countries. In this respect, national training and capacity-building workshops were carried out in Angola and Cambodia.

79. UNCTAD has developed indicators for measuring and benchmarking productive capacities in least developed countries. Furthermore, it is implementing a capacity-building project to upgrade and diversify fish export in five least developed countries and overcome the challenges posed by international standards on the export of such products.

B. Small island developing States

1. Progress made in the implementation of the elements relevant to UNCTAD of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

80. The Mauritius Strategy was the main outcome of the International Meeting to Review Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, held in 2005. The Mauritius Strategy echoes the emphasis of the General Assembly, in its resolution 59/209, of the need for a smooth transition for countries graduating from the list of least developed countries. This emphasis was strongly reiterated by the General Assembly in its resolution 67/221. Furthermore, the General Assembly, in its resolution 65/2, adopted the outcome document of the High-level Review Meeting on the Implementation of the Mauritius Strategy, which requested consideration of improved and additional measures that might be needed to more effectively address the

vulnerabilities of small island developing States. The Economic and Social Council echoed this request in its resolution 2011/44.

2. UNCTAD contributions

81. The role of UNCTAD in supporting the Mauritius Strategy is highlighted in paragraph 98 of the Strategy and paragraphs 17 (j) and 56 (j) of the Doha Mandate. UNCTAD has analysed and drawn lessons from the economic vulnerabilities of small island developing States, and has underlined the contrast between the international attention given to this issue and the absence of special international support measures to support the resilience-building efforts of these States. UNCTAD has continuously supported requests for special treatment for these States based on measures to respond to disadvantages specific to small island developing States.

82. UNCTAD has actively supported the small island developing States that are facing or face the challenge of a smooth transition to post-least developed country status. In this regard, support has been provided to the Governments of Cabo Verde, Kiribati, Maldives, Samoa, Tuvalu and Vanuatu. In addition, UNCTAD will discuss its work on promoting sustainable maritime transport and harnessing ocean wealth to expand the trading opportunities of small island developing States at the third International Conference on Small Island Developing States, to be held in September 2014.

C. Landlocked developing countries

1. Progress made in the implementation of the elements relevant to UNCTAD of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries

83. The Almaty Programme of Action was adopted in 2003 to address the special needs of landlocked developing countries due to their geographical location.

84. Since then, several landlocked developing countries have accelerated their economic growth. The average rate of growth of the gross domestic products of the landlocked developing countries increased from 4.5 per cent in 2003 to 6.3 per cent in 2013. However, most of this growth was based on natural resource exploitation and not linked to structural transformations. Moreover, the economic performance of individual landlocked developing countries differs widely, with often stagnating labour markets and largely non-inclusive growth in terms of strengthening domestic economic linkages. The vulnerability of many landlocked developing countries to environmental and external economic factors has remained high. However, there are also encouraging signs regarding the removal of physical and non-physical barriers to participation by these countries in international trade. The trade facilitation elements of the declaration and ministerial decisions adopted at the World Trade Organization Ninth Ministerial Conference include a significant set of global trade facilitation measures that could highly benefit landlocked developing countries.

2. UNCTAD contributions

85. UNCTAD has contributed to the implementation of the Almaty Programme of Action through analytical work and technical-assistance activities. Relevant work includes a project on enhancing the capacities of landlocked developing countries to attract foreign direct investment for the development and modernization of productive capacities. Investment guides, including Internet-based guides, were produced for Bhutan, Burkina Faso and Rwanda in 2013 and for Nepal in 2014.

86. UNCTAD has contributed to the preparatory process of the comprehensive 10-year review conference of the Almaty Programme of Action, to be held in November 2014, through, inter alia, substantive participation in brainstorming meetings, and has also contributed to inter-agency meetings and various regional and thematic preparatory events. Consequently, key ideas advocated by UNCTAD for a new programme of action, such as the development of productive capacities and a stronger emphasis on the development dimension, while maintaining a focus on transit transport issues, have been reflected in the initial draft of the new programme.